



ASSESSING THE IMPACT OF THE GREAT RECESSION ON INCOME, POVERTY, AND HEALTH INSURANCE COVERAGE IN THE UNITED STATES

The U.S. Census Bureau's report on income, poverty and health insurance coverage in 2009 sheds new light on the toll of the Great Recession on America's families. The longest, deepest recession since the Great Depression caused poverty to rise sharply. Real median household income, which was statistically unchanged between 2008 and 2009, fell 4.2 percent over the course of the recession. Eroding access to private health insurance coverage, particularly employer-based coverage, pushed millions into the ranks of the uninsured.

Over the course of the recession, the national poverty rate increased by 1.9 percentage points, to 14.3 percent. The official poverty rate measures solely money income, and therefore does not account for the impact of many critical government safety net programs. The cash value of food stamps benefits alone would have lifted 3.6 million individuals, including 1.7 million children, out of poverty in 2009.

American families headed into the Great Recession having faced several years of rising poverty and deteriorating income. With the onset of the recession, their already precarious economic position grew even weaker. The numbers in the Census Bureau's report provide a stark reminder of the need for continued government support to help American households recover from the Great Recession.

NATIONAL DATA

In order to assess the impact of the Great Recession on America's households, the Joint Economic Committee compared 2007 and 2009 data on median household income, poverty status, and health insurance coverage from the U.S. Census Bureau's Current Population Survey, 2008 and 2010 Annual Social and Economic Supplements. All reported changes over the 2007 to 2009 period are statistically significant from zero at the 90-percent confidence level. (See below table for additional national-level data.)

Poverty Status

- The number of Americans living in poverty increased by 6.3 million from 2007 to 2009. 43.6 million Americans lived in poverty in 2009.
- The national poverty rate increased by 1.9 percentage points from 2007 to 2009. The poverty rate in 2009 was 14.3 percent.
- For children younger than 18, the poverty rate also increased – from 18.0 percent in 2007 to 20.7 percent in 2009.
- The poverty rate for African Americans and Hispanics increased significantly from 2007 to 2009. In 2009, the poverty rate was 25.8 percent for African Americans and 25.3 percent for Hispanics, compared to 24.5 percent for African Americans and 21.5 for Hispanics in 2007.
- For female-headed households, the poverty rate increased to 29.9 percent in 2009, from 28.3 percent in 2007.

Health Insurance Coverage

- 50.7 million Americans—16.7 percent of the population—were uninsured in 2009. The number of Americans without health insurance coverage increased by 5.0 million from 2007 to 2009.
- The number of children without health insurance fell by 636,000 between 2007 and 2009. Over the same period, the number of children covered by the publicly-funded State Children’s Health Insurance Program increased by 4.4 million between 2007 and 2009.
- The percentages of Hispanics and African Americans without health insurance are higher than that of whites and other ethnic groups. Nearly one-third of Hispanics and over one-fifth of African Americans were uninsured in 2009, compared with about one-tenth of whites.
- The share of Americans with private health insurance coverage fell 3.6 percentage points between 2007 and 2009. In 2009, 63.9 percent of the population (194.6 million Americans) was covered by private health insurance plans. The share of the population covered by private health insurance has been falling since 2000.

Household Income

- Real median household income fell by \$2,188 between 2007 and 2009 to \$49,977. Modest gains during the mid 2000’s were wiped out by large declines in 2008 and 2009 during the Great Recession. In 2009, median household income was at its lowest level since 1997.
- Between 2007 and 2009, income for the richest households (95th percentile) fell 1.7 percent while other households experienced significant drops in income.
- Income for the typical household (50th percentile) fell by 4.2 percent between 2007 and 2009, and income for the poorest households (10th percentile) declined by 3.7 percent.
- Median income for African American families fell 7.1 percent between 2007 and 2009, compared with a 4.1 percent decline for white families.
- Hispanic families experienced a 4.9 percent drop in income over the period.
- Among full-time, year-round employees, median income of females was 77.0 percent of that of males in 2009, down from 77.8 percent in 2007.

Table 1. Impact of the Great Recession on Income, Poverty, and Health Insurance Coverage Nationwide

	2007	2009	2007-2009 Change ^{1a}
Poverty Status			
Total Population			
Number (millions)	37.3	43.6	6.3 *
Rate	12.5%	14.3%	1.9 *
Racial and Ethnic Groups			
White, not Hispanic	8.2%	9.4%	1.2 *
Black	24.5%	25.8%	1.3 *
Asian	10.2%	12.5%	2.3 *
Hispanic	21.5%	25.3%	3.8 *
Age			
Under 18 years	18.0%	20.7%	2.7 *
18 to 64 years	10.9%	12.9%	2.1 *
65 years and older	9.7%	8.9%	-0.8 *
Household Type			
Married-couple families	4.9%	5.8%	1.0 *
Female-headed households	28.3%	29.9%	1.6 *
Male-headed households	13.6%	16.9%	3.2 *
Median Household Income ^{1b}			
All households	\$51,965	\$49,777	-4.2% *
Racial and Ethnic Groups			
White, Not Hispanic	\$56,814	\$54,461	-4.1% *
Black	\$35,086	\$32,584	-7.1% *
Asian	\$68,382	\$65,469	-4.3%
Hispanic	\$40,013	\$38,039	-4.9% *
Age			
Under 65 years	\$58,495	\$55,821	-4.6% *
65 years and older	\$29,281	\$31,354	7.1% *
Household Type			
Married-couple families	\$75,295	\$71,830	-4.6% *
Female-headed families	\$34,521	\$32,597	-5.6% *
Male-headed families	\$51,558	\$48,084	-6.7% *
Full-time, Year-Round Workers			

Men	\$46,669	\$47,127	1.0% *
Women	\$36,312	\$36,278	-0.1%
Ratio of women's income to men's	77.8%	77.0%	-0.8% *
10th percentile limit	\$12,581	\$12,120	-3.7% *
20th percentile limit	\$20,991	\$20,453	-2.6% *
50th percentile limit (median)	\$51,965	\$49,777	-4.2% *
80th percentile limit	\$103,448	\$100,000	-3.3% *
90th percentile limit	\$140,690	\$137,632	-2.2% *
95th percentile limit	\$183,103	\$180,001	-1.7% *
Gini Index (Income Inequality)	0.463	0.468	1.1%

Health Insurance Coverage

Without Coverage

Total Population			
Number (millions)	45.7	50.7	5.0 *
Rate	15.3%	16.7%	1.4 *

Racial and Ethnic Groups ^{lc}

White, not Hispanic	10.4%	12.0%	1.5 *
Black	19.5%	21.0%	1.5 *
Hispanic	32.1%	32.4%	0.3
Asian	16.8%	17.2%	0.4

Age

Under 65 years	17.1%	18.8%	1.7 *
Under 18 years	11.0%	10.0%	-0.9 *
18 to 24 years	28.1%	30.4%	2.3 *
25 to 34 years	25.7%	29.1%	3.4 *
35 to 44 years	18.3%	21.7%	3.4 *
45 to 64 years	14.0%	16.1%	2.1 *
65 years and older	1.9%	1.8%	-0.1

Household Type

Head of household	13.2%	14.7%	1.5 *
In families with children under 18 years	10.7%	9.8%	-0.9 *
In families with children under 6 years	10.4%	9.1%	-1.3 *

Covered by Government Programs ^{ld}

Medicaid	13.2%	15.7%	2.5 *
SCHIP	28.1%	33.8%	5.7 *
Military	3.7%	4.1%	0.4 *

Covered by Private Plans

Employment-based	59.3%	55.8%	-3.5 *
Direct Purchase	8.9%	8.9%	0.0

Notes:

* denotes changes statically significant from zero at the 90-percent confidence level.

^{a/} 2007-2009 change is reported in percentage points.

^{b/} Unless otherwise noted, numbers reported in the "Median Household Income" section of the table are in 2009 dollars.

^{c/} "White" and "Black" refer to "White Alone, not Hispanic" and "Black Alone" categories.

^{d/} "Covered by Government Programs" indicates the share of the eligible population covered by the relevant program.

Source: U.S. Census Bureau. Current Population Survey, 2007-2010 Annual Social and Economic Supplements.